



International Trade Administration

Mission Statement

An ITA task force is currently formulating a new mission statement for incorporation in the Strategic Plan. Once the task force has completed its work, the accepted mission statement will be available for all GPRA-related documents.

The Department of Commerce's International Trade Administration (ITA) works within the Federal government to build the American economy by promoting U.S. foreign trade. ITA supports the business community by helping U.S. companies to export, partnering with industry, opening markets, and leveling the playing field for the international exchange of goods and services. ITA's four operational areas span both exports and imports, enabling ITA to serve as a complete source of international trade information and assistance for businesses. ITA's Trade Information Center and the Trade Compliance Center provide critical information to businesses to help in their export trade activities. ITA also plays a significant role in ensuring fair competition from imports.

In addition to maintaining a close relationship with U.S. businesses, ITA works with other government agencies and multilateral organizations to formulate trade policies and monitor market access and compliance with U.S. international trade agreements. These organizations include the Department of State, the Department of Treasury, the U.S. International Trade Commission, and the U.S. Trade Representative, as well as the World Trade Organization, the Organization for Economic Cooperation and Development, and the United Nations.

An ITA task force is currently formulating a new vision statement for incorporation in the Strategic Plan. Once the task force has completed its work, the accepted vision statement will be available for all GPRA-related documents.

Priorities

In an increasingly global economy, the role of exports in sustaining a robust economic infrastructure continues to grow. Exports support over 11 million U.S. jobs, including one in five manufacturing jobs. In recent years, export-related jobs are paying wages fifteen percent higher than the average U.S. wage. The competitive nature of the global marketplace raises challenges for ITA in leveling the playing field for U.S. businesses abroad and helping to remove tariff and non-tariff barriers to trade. Toward this end, ITA will carry out the Secretary's Broadening Trade initiative by breaking into new and under served international markets, while expanding the export support of small and medium-sized businesses.

ITA's priorities are derived directly from the Departmental priorities. These priorities guide the development of ITA program initiatives, which are listed below.

- *Increasing Manufacturers Exports Through E-Exporting initiative*
This initiative launches a comprehensive e-commerce program to close the gap between manufacturers' export potential and actual performance.

- *E-Commerce initiative*
This initiative is designed to bring small- and medium-sized businesses into exporting via virtual trade missions and trade shows.
- *Clean Energy and Environmental Exports initiative*
This initiative focuses attention on one of the most critical aspects of environmental need – clean energy and energy efficiency. It will be closely coordinated with the technology development and commercialization programs of the Technology Administration and the National Oceanic and Atmospheric Administration.
- *Exporter Data Base Enhancement initiative*
This initiative develops an array of statistics that measure the involvement of U.S. firms in export markets and the impact of exports on states, metropolitan and rural areas.
- *Expand Trade Compliance, Including Import Surge Monitoring, Expedited Investigations and Subsidies Enforcement*
This initiative enhances the vigorous enforcement of the antidumping (AD) and countervailing duty (CVD) laws by enabling Import Administration to implement critical U.S. trade policy initiatives and new requirements set forth in the Uruguay Round Agreements Act. It also expands the Market Access and Compliance unit's efforts to ensure foreign compliance with the trade agreements we have negotiated.
- *Cultural Heritage Community Development Export initiative*
ITA is proposing an initiative in response to the President's 1998 call for a renewed effort to promote economic prosperity in Native American and other communities through stimulation of increased American cultural heritage tourism. Our Native American project, to be conducted in conjunction with the Department of the Interior, is aimed at assisting Native Americans to benefit from the economic activities travel and tourism can bring as part of their overall economic development plans. In this regard, ITA will also continue to aid Native Americans to become exporters, enter new markets, and increase exports in established markets.

Management Challenges

The most significant challenge facing ITA is in the area of financial management.

ITA has not been able to comply with the requirements of the CFO Act of 1990. A number of material weaknesses in ITA's financial management systems and procedures have been identified. The ITA CFO is currently overseeing efforts to correct material weaknesses and obtain an unqualified (clean) audit opinion. Specifically, ITA expects to obtain a clean opinion on the Balance Sheet for FY 1999. We also expect to obtain a clean opinion on the remainder of our financial statements for FY 2000.

During FY 1999, ITA took a number of significant steps toward eliminating material weaknesses in financial management including:

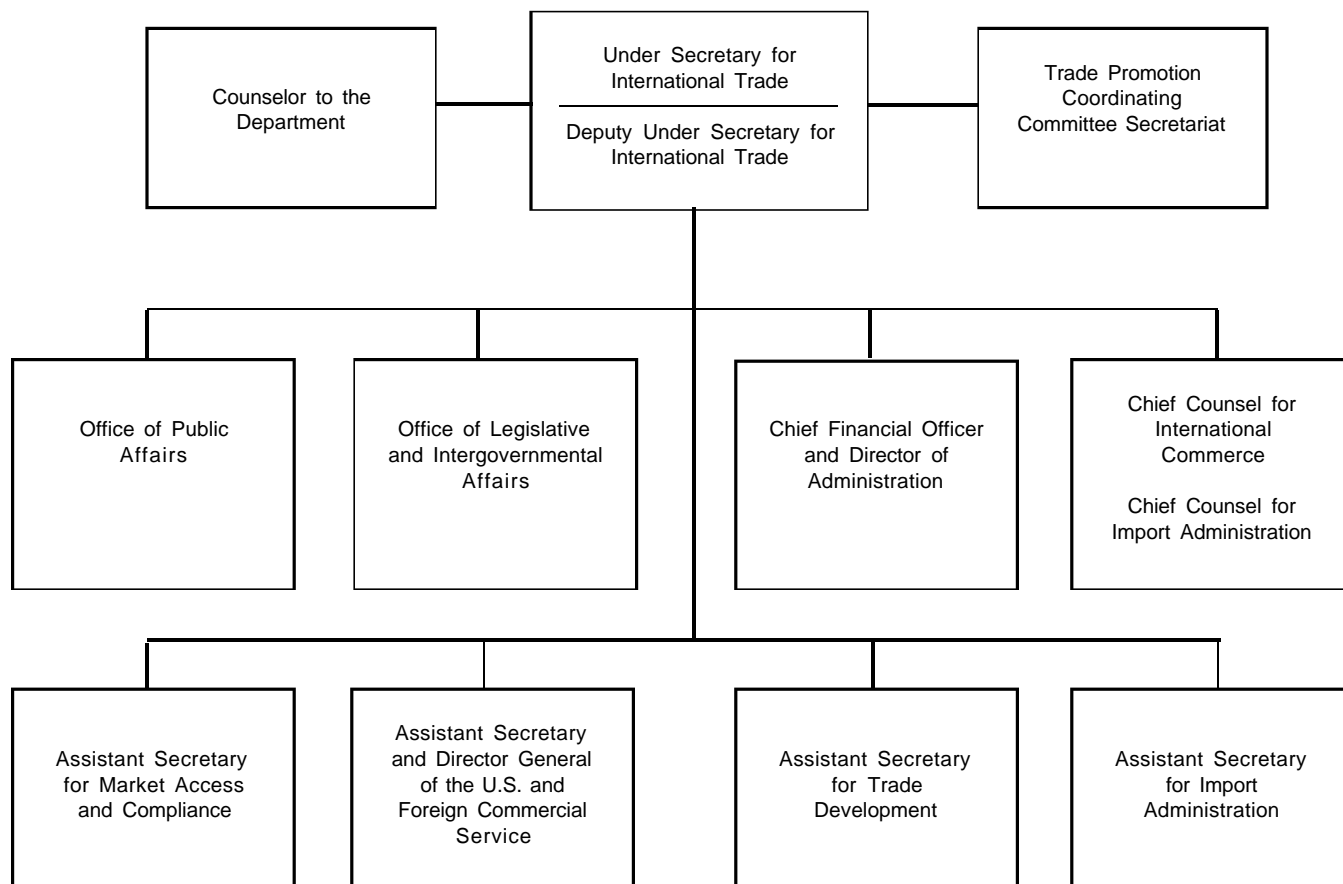
- Appointed a Chief Financial Officer in September 1999 and Deputy Chief Financial Officer in January 1999. These individuals provided the proper financial management control over ITA financial operations. This includes all aspects of accounting operations, financial management, financial systems, and budget formulation and execution process.
- Transferred the accounting operations and financial support services to the Department of Interior's National Business Center. This action provided ITA with the unification of transaction processing into one accounting application under one organization ensuring the integrity of its financial accounting process.

- Transferred responsibility for domestic payments to the Department of Interior's National Business Center. This action allowed ITA to process payments from a single location improving management and internal controls over the quality of the payment functions.
- Implemented standardized financial policies and procedures for overseas posts in support of the CFO Act requirements. In conjunction with the dissemination of these new policies and procedures, ITA conducted the necessary training in headquarters and overseas to ensure the proper application of these procedures is followed. Also, ITA introduced, deployed, and installed the new Overseas Transaction Database providing a uniform, standard bookkeeping record that the overseas posts can use to monitor remaining budgets, open obligations, and receivables. This new system has been very useful in closing accounting records and ensuring ITA has the proper obligations recorded for year-end closing of its financial statements.
- Established a credit card network for domestic and overseas allowing ITA to make collections online by credit card. This process will provide the best combination of control, functionality, information reporting, and funds availability for ITA's collections program.
- Developed a new coding structure to track ITA's financial activities within the Federal Financial System administered by the National Business Center. This new coding structure, based on "smart-code" concept, captures multiple items including performance measure activity. Moreover, each disbursement and expense document has a unique number that can be traced back to the appropriate project through the new coding structure.
- Established detailed procedures for achieving a financial year-end close efficiently and accurately. These procedures ensured that financial records accurately reflect ITA's use of resources and utilization of budget authority.

External Challenges

ITA will face significant external challenges as it embarks on its path in the new millennium. Among these challenges will be the impact of the fast-paced trend toward globalization. As the world becomes increasingly interconnected, ITA will be forced to work harder to monitor, promote, and ensure equal access to international trade for U.S. businesses. Complicating this matter is the heated political environment stemming from the World Trade Organization negotiations in Seattle this past December. The argument around protectionism versus free trade will continue to be a source of both domestic and international contention throughout the coming years. In addition, weak economics abroad and the rising value of the U.S. dollar could limit the growth of U.S. exports in the near term.

Organizational Structure



Targets and Performance Summary

Highlights of the International Trade Administration FY 2001 Performance Plan

Performance Goal 1: Enforce U.S. trade laws and agreements to promote free and fair trade			
Measure	FY 99 Actual	FY 00 Target	FY 01 Target
Dollar Value of Market Openings	\$2.3 B	\$2.0 B	\$2.4 B
Performance Goal 2: Increase the number of small business exporters			
Measure	FY 99 Actual	FY 00 Target	FY 01 Target
New-to-Export Firms	42,351	36,066	36,949
Performance Goal 3: Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)			
Measure	FY 99 Actual	FY 00 Target	FY 01 Target
New-to-Market Firms	67,835	64,914	66,187
Counseling Sessions	296,769	292,822	288,479
Performance Goal 4: Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts			
Measure	FY 99 Actual	FY 00 Target	FY 01 Target
Dollar Value of Gross Exports Supported	\$9.8 B	10.5 B	\$11.0 B

Resource Requirements Summary

Total FY 1999 Dollars: \$357.1 Million

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Enforce U.S. trade laws and agreements to promote free and fair trade	\$56.3 M	\$52.0 M	\$60.2 M
Increase the number of small business exporters	\$155.2 M	\$143.4 M	\$166.1 M
Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)	\$65.5 M	\$60.6 M	\$70.1M
Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts	\$56.8 M	\$52.5 M	\$60.7 M

Total FY 1999FTEs: 2,422

Skill Summary: *In-depth knowledge of international and domestic trade laws and regulations, in addition to country/industry-sector expertise; specialized knowledge of and experience in export marketing and promotion, foreign trade practices, and foreign government trade programs and policies.*

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Enforce U.S. trade laws and agreements to promote free and fair trade	390	394	408
Increase the number of small business exporters	1,076	1,086	1,126
Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)	454	459	476
Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts	393	397	412

Total IT Dollars: 21.9 Million**IT Requirements: Infrastructure and related mission systems**

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Enforce U.S. trade laws and agreements to promote free and fair trade	\$3.9 M	\$3.7 M	\$3.7 M
Increase the number of small business exporters	\$10.8 M	\$10.1 M	\$10.2 M
Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)	\$4.6 M	\$4.3 M	\$4.3M
Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts	\$4.0 M	\$3.7 M	\$3.7 M

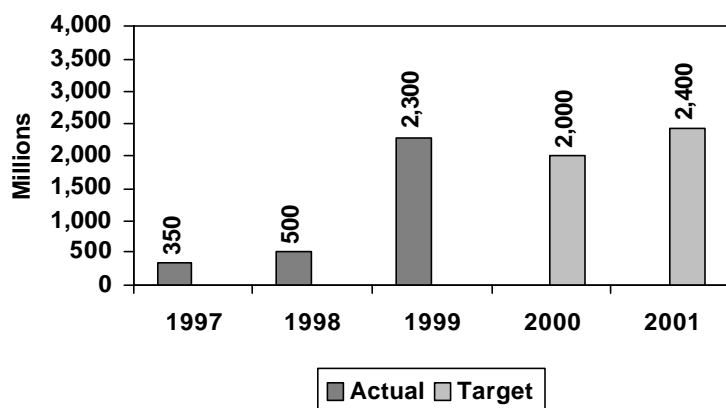
Performance Goal 1: Enforce U.S. Trade Laws and Agreements to Promote Free and Fair Trade

Rationale for Performance Goal

This goal supports the *Broadening Trade* initiative as follows:

- Import Administration (IA) unit impartially enforces U.S. antidumping and countervailing duty (AD/CVD) laws to ensure that American businesses and workers face a level playing field in the domestic market versus foreign competitors.
- Subsidy Enforcement Office coordinates the Administration's subsidies enforcement efforts to ensure that U.S. exporters are not harmed by subsidized foreign competition.
- Market Access and Compliance (MAC) unit identifies existing and potential market access problems. MAC also initiates U.S. government action to overcome market access obstacles within different countries and regions.
- A key element in these efforts is ITA's Trade Compliance Center (TCC), which monitors foreign compliance with over 250 trade agreements the U.S. has in force.
- Trade Development (TD) unit monitors international trade agreements, governing imports of essential items, such as steel, rubber, coal, computers, supercomputers, autos and auto parts, textiles and a broad range of consumer goods. TD also articulates U.S. industries' needs and concerns to American negotiators of international trade agreements and provides support for negotiating strategies.

Measure 1.a: Value of Market Openings



Data Validation and Verification:

Data collection: Companies benefiting from market access sessions

Frequency: Annually, by fiscal year

Data storage: TCC will store and publish data

Verification: Each case handled by MAC is supported by varying degrees of economic analysis. The data in these analyses is usually a projection of potential growth in the U.S. share of the foreign market for both the company involved and for U.S. industry as a whole. Collaboration with the Commercial Service and the industry specialists in Trade Development is critical in the market analysis and serve as a "double check" on the data. Data from each case is maintained by both the country/regional desk and the Trade Compliance center. Since the data in these cases are usually estimates of future growth, a number of factors, including global trade trends and political developments would impact the actuals.

Explanation

This measure reflects the dollar value of opening world markets to U.S. exports by reducing and eliminating barriers to trade. Companies experiencing difficulty in accessing a foreign market engage MAC's help to gain entry. The Trade Compliance Center (TCC) works in conjunction with MAC's regional units in solving compliance problems. Dollar Value of Opening World Markets is one measure of MAC and ITA's efforts to help promote fair trade in global markets. MAC's two major activities; identify and combat market access barriers and monitor foreign compliance with U.S. trade agreements, to expand market opportunities for U.S. firms and workers. By monitoring and enforcing existing trade agreements, companies can receive the full benefit of these agreements and are able to export fairly in markets that were previously closed or put U.S. firms at a competitive disadvantage.

Program Evaluation Efforts

No program evaluation studies were conducted in FY 1999 which supported the subject performance goal.

Strategies and Activities

Strategies	Activities
MAC has two general strategies; institute careful monitoring of U.S. bilateral and multilateral trade agreements, and constant efforts to educate the business community on their rights under existing trade laws	In support of monitoring, MAC will continue to participate actively in bilateral and multilateral meetings, negotiations and consultations and address all relevant disputes. In support of efforts to educate, MAC will continue to counsel clients on how to receive the full benefits of existing trade agreements
IA's strategy focuses on the effective administration of the U.S. Antidumping (AD) and Countervailing Duty (CVD) laws (Tariff Act of 1930, as amended) and agreements negotiated to address sector-specific trade distorting practices	Pursuant to the Tariff Act of 1930, as amended, IA conducts the following AD/CVD case activities: investigations, administrative reviews, sunset reviews and suspension agreements. In further support of this strategy, IA has implemented and will continue to support the following measures to enhance AD/CVD program effectiveness: monitoring of significant import surges, expediting of investigations under certain circumstances and enhanced subsidy enforcement activities.
TD's strategy will focus on providing the analytical support for the new round of global trade negotiations and secure feedback from U.S. industry on foreign compliance with international trade agreements.	Expand ITA's analytical infrastructure to support timely and accurate assessments of (1) the impact on U.S. industries of the removal or reduction of U.S. tariffs and other barriers and (2) the impact of foreign trade barriers on exports by U.S. industry sectors. Develop strategies to support trade negotiations and strengthen the positions of U.S. trade negotiators. Enhance the role of the Industry Sector Advisory Committees in providing feedback on trade policy and trade agreement compliance.

Resource Requirements Summary

Total Dollars: \$60.2 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$56.3 M	\$52.0 M	\$60.2 M

Total FTEs: 408

Skill Summary: In-depth knowledge of international and domestic trade laws / regulations in addition to country / industry-sector expertise

FY 99 Actual	FY 00 Enacted	FY 01 Target
390	394	408

Total IT Dollars: 3.7 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$3.9 M	\$3.7 M	\$3.7 M

Crosscutting Issues

Intra-DOC

- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *U.S. Trade Representative (USTR):* ITA works with the USTR to develop strategies for solving market access disputes and participates with USTR in major trade negotiations. ITA and the USTR jointly administer the Industry Consultations program, consisting of 20 trade advisory committees, which provide input to the Government on trade policy issues. IA works closely with U.S. industry to analyze potential subsidy practices that might violate the subsidies agreement of the Uruguay Round Agreement Act of 1994 (URAA) and cause harm to U.S. industry. Based upon this analysis, IA will prepare a recommendation that USTR take action before the World Trade Organization (WTO). IA and the USTR issue a joint annual report to Congress on both agencies' subsidies enforcement activities. MAC also supports trade policy initiatives initiated by USTR, frequently providing the bulk of the analysis, expertise, and staff support needed to achieve negotiating objectives.
- *International Trade Commission:* In an antidumping (AD) or countervailing duty (CVD) case, IA conducts the investigation and ITC concurrently conducts the industry injury investigation. If both IA's and ITC's investigations result in affirmative determinations, then IA issues an AD/CVD order to the U.S. Customs Service which results in a tariff rate adjustment.
- *U.S. Customs Service:* Because the AD/CVD law requires collection of offsetting duties at the time merchandise enters the country, IA communicates regularly with Customs to ensure the prompt and accurate implementation of IA's decisions. Customs then collects cash deposits and final duty assessments. IA responds to inquiries from Customs' headquarters and port offices regarding the scope and potential evasion of AD/CVD orders, as well as other enforcement concerns.
- *Department of Treasury:* IA works closely with Treasury to monitor subsidy-related commitments contained in the IMF stabilization packages.

- *Department of State:* In AD/CVD proceedings, IA verifies information provided by foreign governments and companies in those countries. IA works closely with the Department of State to obtain country clearances, arrange meetings, and make necessary trip arrangements. In addition, IA works with State to obtain pertinent information on subsidy enforcement issues. MAC works on a daily basis with the State Department, U.S. embassies abroad — including State Department Economic Officers as well as U.S. and Foreign Commercial officers—to implement strategies for removal of foreign trade barriers to U.S. exports.
- *Department of Justice:* IA, in conjunction with the Office of the General Counsel, works with Justice's attorneys on pending AD/CVD litigation before the Court of International Trade and the Court of Appeals for the Federal Circuit.

Government/Private Sector

The President's Export Council, chaired by the Secretary of Commerce, advises the President on trade policy issues. Its membership includes 28 CEOs of private-sector companies, senior officials of eight Federal agencies (Commerce, State, Treasury, Labor, Agriculture, SBA, Export-Import Bank and USTR) and 10 Congressional representatives.

External Factors and Mitigation Strategies

All trade is subject to sharp changes in economic performance in markets around the world, national/ international politics, technological advances and large scale, unexpected capital movement. MAC staff has and will continue to identify these changes and adapt policies which continue to promote expanding overseas markets for U.S. firms and workers. The recent explosion of e-commerce provides an example of how interagency collaboration has helped shape a level playing field for U.S. exporters in this dynamic field.

Performance Goal 2: Increase the Number of Small Business Exporters

Rationale for Performance Goal

Recently released data indicate that U.S. export assistance efforts are paying off. The number of SME exporters increased from 108,000 in 1992 to 238,000 in 1998, an average annual increase of 13.4 percent. But more work needs to be done. About 63 percent of SMEs export to only one market; and 87 percent export to four countries, or less.

US&FCS targets its products and services to the unique needs of small- and medium-sized enterprises (SMEs). US&FCS provides the types and levels of assistance that smaller companies need to begin exporting for the first time, or to enter new export markets or regions. Export assistance products and services are offered on a cost-recovery basis, providing SMEs with the services of a sophisticated international network, at a price they can afford.

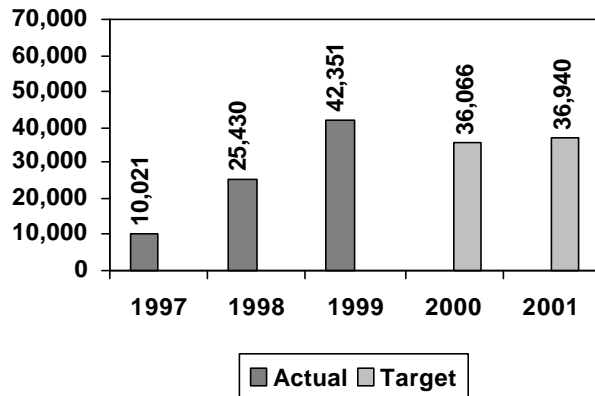
ITA's Trade Development unit sponsors export financing workshops to address the resource needs of SMEs. TD's Trade Information Center operates a trade "hotline" that provides information, referrals and country counseling to a mostly SME clientele. TD's Market Development Cooperator Program provides funds to support innovative export marketing by trade and nonprofit associations, with largely SME memberships. TD co-chairs (with USTR) the Federal Government's only Trade Advisory Committee for SMEs.

Increasing the number of SME exporters is a more specific aspect of broadening trade. Generic "broadening of trade" refers to providing export assistance and advocacy to all U.S. businesses - small and large - with the overarching goal of increasing the raw amount of U.S. exports. Increasing the number of SME exporters refers to getting small companies into the business of exporting, which has overarching goal of increasing the numbers of firms selling in export markets (regardless of the value of the transaction). The two goals have the same general focus, but approach it from different angles - increasing the dollar value of exports versus increasing the number of exporters.

Collecting statistics on NTE firms shows whether or not US&FCS is achieving its goal of increasing the number of SME exporters. The measure refers to the number of firms that use or participate in ITA activities that facilitate exports.

Performance Goal 2: Increase the Number of Small Business Exporters

Measure: Number of New-to-Export Firms



Data Validation and Verification:

Data collection: US&FCS' Client Management System (CMS) and the Office of Trade Events Management (OTEM) Also, TD's Office of Export Promotion Coordination, Promotion Planning and Support Division (PPSD) collects data that is provided by participants in overseas trade events and reported by project managers of trade events.

Frequency: Statistics harvested and reported quarterly and annually

Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS Office of Planning. Data is maintained in PPSD database operating on Lotus Notes platform.

Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out of office visits), and other activities. Each office manager reviews, verifies, and signs the reports. Data is verified by project managers and PPDS.

Data Limitations: Although US&FCS assists thousands of small businesses that are new to exporting each year, it can be difficult to quantify our successes. US&FCS' collection of data to measure numbers of clients who successfully export for the first time as a result of US&FCS assistance is wholly dependent on a client's willingness to provide such information. Many clients elect not to provide information to US&FCS due to business proprietary concerns. Additionally, because actual exports occur subsequent to the delivery of US&FCS services (frequently 12 to 18 months later), it is difficult to match outputs with outcomes in a 12-month period. Additionally, it is extremely difficult to track the actual dollar value of exports supported by US&FCS services because businesses are reluctant to reveal their business proprietary information to the federal government or to have their success stories published for competitors to read. Because of the difficulty in reliably measuring outcome performance, US&FCS instead tracks numbers of firms new to the export market as circumstantial evidence of overall export growth and export-fueled job creation. Data from NTEs/NTMs participating in some domestic trade events may not be included, resulting in the underreporting of the actual numbers of NTEs/NTMs firms assisted by ITA.

Program Evaluation Efforts

A number of program evaluation studies were conducted which indirectly supported the subject performance goal. Specifically: Management and Program Reviews (MPRs) of day-to-day operations were completed. These covered systems, procedures, and practices at three of ITA's foreign posts – Malaysia, Nigeria, and the Dominican Republic.

Performance Goal 2: Increase the Number of Small Business Exporters

Strategies and Activities

Strategies	Activities
<p>Achievable activities for E-commerce: US&FCS plans to use virtual trade shows, webcasting, "push" technologies, and enhanced website applications to support the goal.</p> <p>Actionable items for targeted assistance: US&FCS is undertaking an internal initiative to improve its existing products and services to meet the needs of its SME clients. US&FCS is also creating and testing new products explicitly designed to meet the specialized needs of SMEs and minority-owned firms.</p> <p>Build public/private sector partnerships to energize SMEs to begin conducting business on the Internet and the World Wide Web.</p> <p>Develop an Executive Export Management Certificate Program for SMEs.</p> <p>Implement an intra-agency tourism development effort, in coordination with the Bureau of Indian Affairs, utilizing cultural heritage tourism as a tool for economic development and export growth.</p>	<ul style="list-style-type: none"> · Organize trade education outreach conferences to educate SMEs on the benefits of exporting and the services provided by the U.S. government · Conduct a multi-media instruction program for SMEs, using video-conferencing and educational video tools, to provide knowledge of foreign markets and broaden awareness of opportunities in specific emerging markets · Provide commercial intelligence reports and market-product matching services to guide SMEs in selecting and promoting their products to specific targeted markets · Develop an Internet-Based Market Penetration Program, enabling SMEs to participate in low-cost export marketing vehicles, such as virtual trade shows · Provide advocacy support tailored to SMEs through creation of Internet-based matching service that will bring together prime international contractors on major foreign projects and SMEs who can serve as their subcontractors, suppliers and consultants. · Implement aggressive Information Technology (IT) outreach effort, matching IT firms with relevant technologies to developing countries' special needs; working with NIST, conduct seminars to educate targeted developing markets on how to use IT to improve their economies. · Expand Market Development Cooperator Program to include special E-Exporting Awards Competition, showcasing innovative SME efforts to conduct business via the Internet and World Wide Web. · Develop and operate Internet -based tariff and trade information system covering import assessments, tariffs and other regulatory data to help U.S. manufacturers deliver products to their foreign clients.

Resource Requirements Summary

Total Dollars: \$166.1 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$155.2 M	\$143.4 M	\$166.1 M

Total FTEs: 1,126

Skill Summary: In-depth knowledge of export marketing and promotion, foreign trade practices, and foreign government trade programs and policies

FY 99 Actual	FY 00 Enacted	FY 01 Target
1,075	1,086	1,126

Performance Goal 2: Increase the Number of Small Business Exporters

Total IT Dollars: \$10.2 Million

IT Requirements: IT infrastructure and related mission systems

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$10.8 M	\$10.0 M	\$10.2 M

Crosscutting Issues

Intra-DOC

- *National Institute of Standards and Technology*: Coordinate technology commercialization efforts with Manufacturing Extension Program
- *Minority Business Development Administration*: Work together to craft and implement Urban Export Initiative for minority-owned businesses.
- *Office of General Counsel*: Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Small Business Administration (SBA)*: Share clients to provide complementary counseling services
- *Ex-Im Bank*: Share clients and provide complementary counseling services
- *State/Local Government Agencies*: Share clients and provide complementary counseling services
- *Local Chambers of Commerce*: Share clients and provide complementary counseling services
- *Department of Energy*: DOE provides industry expertise for US&FCS trade events
- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show)
- *Department of Transportation*: DOT provides industry expertise for US&FCS trade events
- *Department of Education*: Education provides industry expertise for US&FCS trade events
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas
- *Bureau of Indian Affairs (BIA)*: BIA provides industry expertise for ITA tourism development efforts
- *USAID*: Provides grant assistance for various overseas projects (e.g., American Business Centers in Russia)

External Factors and Mitigation Strategies

ITA's success in achieving this goal is dependent upon domestic and international economic conditions. A weak domestic economy or a weak dollar abroad tends to make overseas markets more financially attractive to U.S. firms. Conversely, a strong dollar or a weak overseas economy can cause export-ready firms to delay their exporting efforts. US&FCS trade specialists use their expertise to help SMEs develop trade strategies that take into account adverse economic conditions.

Tracking the achievements and problems of new small business exporters is dependent on clients' provision of this information. Trade specialists communicate to their clients the relationship between US&FCS' ability to provide services to clients (especially business facilitation services with no charge) and US&FCS' ability to demonstrate measurable results. While trade specialists in the field urge firms to provide this data, there is no obligation on the part of the firm to do so.

Performance Goal 3:

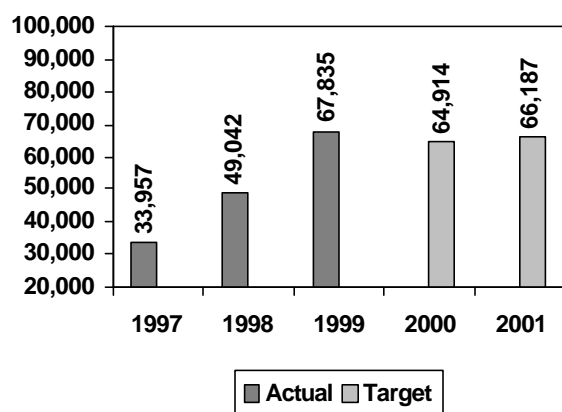
Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Rationale for Performance Goal

This goal supports the *Broadening Trade* initiative. One of President Clinton's highest priorities has been to provide greater economic opportunities for all Americans. In pursuit of this goal, the Administration developed this country's first-ever National Export Strategy to ensure that U.S. workers and businesses are able to profit from export opportunities in markets throughout the world. The Export Enhancement Act of 1992 mandates that the Secretary of Commerce, as chairperson of the Trade Promotion Coordinating Committee (TPCC), submit an annual report to Congress describing the status of the strategic plan developed by the TPCC. The TPCC has since submitted a National Export Strategy Report to Congress each year. The Strategy focuses on streamlining and strengthening government trade promotion and finance programs, regional trade promotion strategies, responses to foreign competitive practices that threaten fair and competitive market access, and initiatives that give exporters access to the tools they need to compete in the global marketplace.

The Trade Promotion Coordinating Committee (TPCC) was established by Congress under the Export Enhancement Act of 1992. In 1993, President Clinton issued an Executive Order formally establishing the TPCC and setting out its terms: it would be composed of 20 government agencies, chaired by the Secretary of Commerce, and would issue an annual Report to Congress articulating our National Export Strategy. In November 1993, the TPCC established a Secretariat in the Office of the Under Secretary for International Trade to provide a permanent point of contact for U.S. government agencies or private sector representatives seeking information on TPCC activities or who wish to rapidly place an issue on the TPCC's agenda. The TPCC agencies meet throughout the year at the principal (agency heads), deputy, and staff levels. As the Deputy Chair of the TPCC, the Under Secretary for ITA plays an active role in shaping the TPCC agenda. The Secretariat is also responsible for coordinating the development and monitoring of the implementation of the National Export Strategy.

Measure 3.a: Number of New-to-Market Firms



Data Validation and Verification:

Data collection: US&FCS' Client Management System (CMS) and the Office of Trade Event Management (OTEM). TD's Office of Export Promotion Coordination, Promotion Planning and Support Division (PPSD) collects data that is provided by participants in overseas trade events and reported by project managers of trade events.

Frequency: Statistics harvested and reported quarterly and annually

Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS' Office of Planning. Data is maintained in PPSP database operating on Lotus Notes platform.

Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out-of-office visits), and other activities. Each office manager reviews, verifies, and signs the reports. Data are verified by project managers and PPDS.

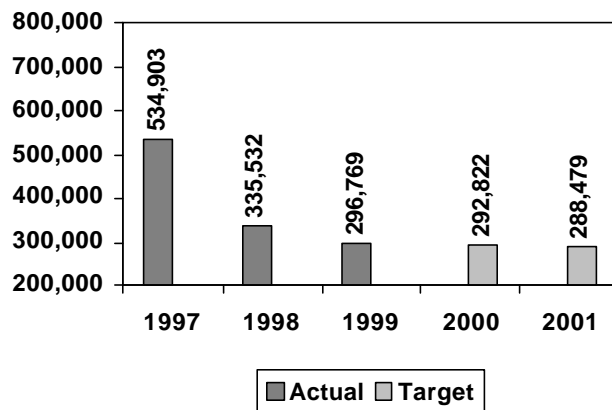
Data Limitations: It is extremely difficult to track the actual dollar value of exports supported by US&FCS services because businesses are reluctant to reveal their proprietary information to the federal government as well as to have their success stories published for competitors to read. Because of the difficulties in reliably measuring outcome performance, US&FCS instead tracks numbers of NTMs as circumstantial evidence of overall export growth and job creation. Data from NTEs/NTMs participating in some domestic trade events may not be included, resulting in underreporting of the actual numbers of NTEs/NTMs firms assisted by ITA.

Performance Goal 3:

Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Explanation

Collecting statistics on NTM firms shows whether or not ITA is achieving its goal of increasing the overall dollar value of U.S. exports. The measure refers to the number of firms ITA successfully assists with expanding their international efforts into new markets. Entering new export markets increases the overall value of U.S. exports. Because it is often impossible for US&FCS to obtain statistics on the gross dollar value of exports our programs support (due to the voluntary nature of reporting such information, and the non-contemporaneous nature of information we do get), this measure captures the outcome in a different, definable way.

Measure 3.b:**Number of counseling sessions****Data Validation and Verification:**

Data collection: US&FCS' Client Management System (CMS) and the Office of Trade Event Management (OTEM).

Frequency: Statistics harvested and reported quarterly and annually

Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS' Office of Planning.

Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out of office visits), and other activities. Each office manager reviews, verifies, and signs the reports.

Explanation

Of the five ITA performance measures in the FY 2001 Annual Performance Plan, four are outcome measures, and one is an output measure, i.e., "number of counseling sessions." ITA selected this output measure because of the substantial number of staff years it devotes to this activity; specifically, in FY 1999, ITA conducted 296,769 counseling sessions. ITA defines a counseling session as a telephone conversation (in excess of 15 minutes) or personal visit in which an ITA representative provides useful information to a U.S. firm or organization regarding export of its goods and services and/or relevant U.S. trade law.

The main thrust of the National Export Strategy is to ensure that U.S. workers and businesses are able to profit from export opportunities in markets throughout the world. ITA provides in-depth, value added counseling to U.S. firms seeking to expand their international market activities, as well as to companies that are just beginning to venture overseas. ITA employees help firms identify the best markets for their products, develop an effective market entry strategy, facilitate the implementation of these plans by advising clients on distribution channels, key factors to consider in pricing, and relevant trade shows and missions, and assist clients with locating appropriate public and private trade finance programs.

Program Evaluation Efforts

A number of program evaluation studies were conducted which indirectly supported the subject performance goal. Specifically: Management and Program Reviews (MPRs) of day-to-day operations were completed. These covered systems, procedures, and practices at three of ITA's domestic sites – Indianapolis, Portland (OR), and St. Louis.

Performance Goal 3:

Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Strategies and Activities

Strategies	Activities
Provide a "seamless web" of government services	US&FCS offers a seamless web of export counseling and assistance services delivered through a world wide network of 98 domestic export assistance centers and office locations in 72 countries. US&FCS services range from trade finance to trade complaints to specialized assistance for SMEs and minority-owned businesses
Develop more comprehensive trade statistics to measure the impact of exports on state and local economies and provide timely analyses in response to critical global events	<ul style="list-style-type: none"> -- Expand merchandise trade data program to cover the mining sector to assist state and local governments in measuring the jobs impact of exports -- Develop methodologies to generate data on services exports - fastest growing segment of the U.S. economy - at state and local levels -- Implement quarterly monitoring of impact on states of major international events (e.g., Asian crisis) -- Expand analysis of subnational exports to support key U.S. trade initiatives (e.g., China MFN, Fast-Track)
Improve environmental conditions and increase U.S. environmental technologies exports to emerging markets in Latin America, the Middle East, Eastern Europe and Asia. Focus on clean, efficient and renewable energy, as well as drinking water and wastewater treatment	<ul style="list-style-type: none"> -- Conduct training seminars and demonstration projects focused on specific technologies related to clean energy, energy efficiency, renewables and sustainable development -- Organize reverse missions to bring foreign officials in contact with U.S. environmental firms and expose them to U.S. environmental technologies -- Sponsor internships in the United States for foreign environmental specialists

Performance Goal 3:

Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

Resource Requirements Summary

Total Dollars: \$70.1 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$65.5 M	\$60.6 M	\$70.1 M

Total FTEs: 476

Skill Summary: In-depth knowledge of export marketing and promotion, foreign trade practices, and foreign government trade programs and policies

FY 99 Actual	FY 00 Enacted	FY 01 Target
454	459	476

Total IT Dollars: \$4.3 Million

IT Requirements: IT infrastructure and related mission systems

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$4.6 M	\$4.3 M	\$4.3 M

Crosscutting Issues

Intra-DOC

- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help Small Business Exporters (SBEs) export new technology; execute a cooperative agreement to provide Standards attaches.
- *Census*: Fund reimbursable agreements to produce customized statistics and collaborate on development of methodologies to generate data on Services exports;
- *NIST*: Coordinate elements of the environmental technologies export initiative with NIST's technology development and commercialization programs.
- *NOAA*: Coordinate elements of the Environmental Technologies Initiative with NOAA's environmental programs.
- *Office of General Counsel*: Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Small Business Administration (SBA)*: Share clients to provide complementary counseling services
- *Ex-Im Bank*: Share clients and provide complementary counseling services
- *State/Local Government Agencies*: Share clients and provide complementary counseling services
- *Local Chambers of Commerce*: Share clients and provide complementary counseling services
- *Department of Energy*: DOE provides industry expertise for US&FCS trade events

Performance Goal 3:

Implement the President's National Export Strategy in Conjunction with the Trade Promotion Coordinating Committee (TPCC)

- *Department of Defense/USAF*: The Air Force provides industry expertise for ITA trade events involving aircraft sales (e.g., the Paris Air Show)
- *Department of Transportation*: DOT provides industry expertise for US&FCS trade events
- *Department of Education*: Education provides industry expertise for US&FCS trade events
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas
- *USAID*: Provides grant assistance for various overseas projects (e.g., American Business Centers in Russia)Cross.
- *TPCC* : Coordinate implementation of Environmental Technologies Initiative with the Environmental Trade Working Group of the TPCC

External Factors and Mitigation Strategies

Growth in the number of U.S. firms that export is closely tied to domestic and international economic conditions. A strong dollar or a weak overseas economy can cause export-ready firms to delay their exporting efforts. ITA trade specialists use their expertise to help firms develop trade strategies that take into account adverse economic conditions.

Our challenge is to continue our export expansion in the face of increasing global economic uncertainty. Financial turmoil, though subsiding, is still buffeting a number of economies around the world, including Russia, Asia, and Latin America. President Clinton has underscored to Russian and Asian leaders that they must take tough steps to reform their economies and restore economic confidence. The TPCC agencies' export promotion programs and activities counterbalance the increasing global economic uncertainty by including technical assistance (financial, legal, measurement and standards, and intellectual property rights) to support economic reforms in Asia and emerging economies, increasing trade finance resources for U.S. exporters, engaging China at high-level negotiations and joining Africa in a real partnership that benefit economies on both sides of the Atlantic.

Performance Goal 4: Strengthen and Institutionalize ITA's Trade Promotion & Trade Advocacy Efforts

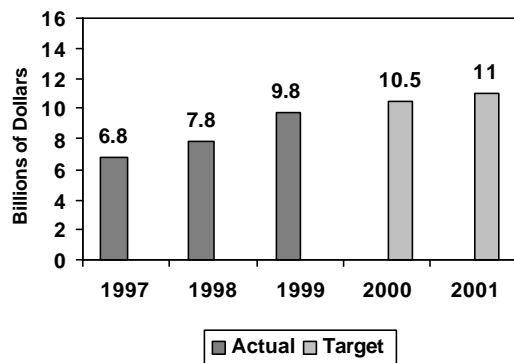
Rationale for Performance Goal

This goal supports the *Broadening Trade* initiative. In slightly more than six years, ITA's Advocacy Center has helped over 270 U.S. companies win foreign contracts worth potentially \$67 billion in U.S. exports over the life of the contracts.

This goal also supports the *Digital Department* initiative through its efforts to use the technology of electronic commerce to help firms use the Internet both to receive ITA's services and to promote their own products abroad.

Measure 4.a:

Dollar value of gross exports supported through advocacy efforts



Data Validation and Verification:

Data collection: Companies that benefited from USG advocacy

Frequency: Annually (fiscal year)

Data storage: Advocacy Center maintains a database that tracks advocacy projects, efforts undertaken, and results.

Verification: Advocacy Center staff conducts follow-up calls annually to a significant sample of customers to verify the dollar value of exports generated through the support of USG efforts. The validation process covers: current status of each project, material changes regarding total project value, U.S. export content, and satisfaction with Advocacy Center or U.S. Embassy/Consulate services. In addition, the Advocacy Center posts cleared company "advocacy" success stories on its website.

Explanation

This measure tallies the estimated dollar value of exports generated by U.S. firms and organizations, with the assistance of ITA advocacy efforts. According to the latest figures available, in FY 1999 USG advocacy assisted U.S. firms in obtaining 77 foreign contracts, worth \$9.8 billion, and having U.S. content of \$5.3 billion over the life of the contracts. Of these 77 successes, 23 were small and medium-sized businesses. Increased focus on advocacy efforts in FY 2001 are expected to yield even greater successes for U.S. firms, especially SMEs, in the international arena.

Program Evaluation Efforts

The Advocacy Center conducts an annual survey of a sample of its customers to get feedback on the effectiveness of its services. The annual survey of FY 1999 was undertaken during January 2000, with the Advocacy Center contacting 18 companies regarding claimed "successes" in 19 separate competitions in which the USG provided advocacy. (The 19 competitions were selected out of 78 successful projects for FY 1999.) Survey responses will be tallied and analyzed during the second quarter of FY 2000.

Performance Goal 4:
Strengthen and Institutionalize ITA's Trade Promotion & Trade Advocacy Efforts
Strategies and Activities

Strategies	Activities
ITA will strengthen trade promotion efforts by increasing and enhancing its field presence and service delivery network; and through pioneering efforts to move electronic commerce into the mainstream of trade; and by enhancing and improving existing products and services, and creating new product lines to meet changing needs	ITA will enhance its field presence by placing specialists in selected locations (e.g., NIST-trained Standards Experts in overseas locations). ITA will test and deliver new e-commerce services, e.g., virtual trade shows, webcasting, "push" technologies, and enhanced website applications. ITA will continue its Innovation 2003 effort to enhance/improve products and services. New products will be piloted and introduced world-wide when successful.
Enhance advocacy efforts for SMEs (as part of the Presidential Manufacturing Initiative)	<ul style="list-style-type: none"> -- Create a new program, within ITA's Advocacy Center, to match SMEs to major international firms as subcontractors, suppliers and consultants. -- Develop and implement a coordinated advertising campaign (encompassing videos, promotional brochures) to reach out to the large number of SMEs currently unaware of the USG's advocacy program. -- Develop partnership agreements with MBDA, minority business multiplier organizations and Manufacturing Extension Partnerships to broaden the advocacy center's customer base.

Resource Requirements Summary

Total Dollars: \$60.7 Million

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$56.8 M	\$52.5 M	\$60.7 M

Total FTEs: 412

Skill Summary: Ability to interact with high-level business, USG, and foreign government officials as an official representative of the U.S. Government

FY 99 Actual	FY 00 Enacted	FY 01 Target
393	397	412

Performance Goal 4: Strengthen and Institutionalize ITA's Trade Promotion & Trade Advocacy Efforts

Total IT Dollars: \$3.7 Million

IT Requirements: IT infrastructure and related mission systems

FY 99 Actual	FY 00 Enacted	FY 01 Target
\$4.0 M	\$3.7 M	\$3.7 M

Crosscutting Issues

Intra-DOC

- *Office of General Counsel:* Work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for future bilateral/multilateral agreements.

Other Government Agencies

- *Trade Promotion Coordinating Committee (TPCC) Agencies:* Coordinate advocacy strategies and responses
- *Offices of the President and Vice President:* Work with these executive offices to coordinate advocacy strategies and responses

External Factors and Mitigation Strategies

The overall strength of the global economy influences the Advocacy Center's fiscal year numbers. To counter the effects of global macroeconomic trends that may lower U.S. exports, the Advocacy Center will increase efforts to promote U.S. companies' bids in regions with higher export potential.

Mitigation Strategies: To counter the effects of global macroeconomic trends that may lower U.S. exports, the Advocacy Center will increase efforts to promote U.S. companies' bids to regions with higher export potential. ITA will closely monitor and provide foreign market research to assist companies gain greater awareness of difficult or challenging markets